



2nd Quarter 2002, Issue 16

Congress Authorizes \$1.25 Billion Toward Brownfield Cleanups

In December 2001, the U.S. Congress provided some holiday cheer for private and public entities engaged in brownfields redevelopment. The Small Business Liability Relief and Brownfields Revitalization Act authorizes \$250 million for each of the next five years to be spent on brownfields cleanup and relaxes legal standards involved in redevelopment. It was signed by President George W. Bush on January 11, 2002.

U.S. Environmental Protection Agency (U.S. EPA) Administrator Christie Whitman praised Congress for its passage of the act. "Cleaning up brownfields will be more efficient with the passage of this bipartisan legislation. By differentiating between large contributors of toxic waste and small businesses who disposed of only small amounts of waste or ordinary trash, and should not be considered responsible parties, we will be reducing litigation as well as removing barriers," said Whitman. "It recognizes the importance of our state and local partners by increasing funding and granting them more flexibility."

The law authorizes grants of up to \$200,000 for characterizing and assessing a brownfield and grants of up to \$1 million for remediation at a brownfield. Additionally, the act eliminates the historical prohibition on spending federal Superfund money to clean up petroleum-contaminated brownfield sites. State and local governments may also receive grants to establish or enhance programs that inventory, assess, and remediate brownfields.

Liability issues are also addressed in the act. A "small generator" exemption (a term not to be confused with the Resource Conservation and Recovery Act (RCRA) definition of "small quantity generator") will allow the U.S. EPA to exercise discretion in not suing persons who sent less than 110 gallons of waste to a cleanup site. Additionally, certain owners of property contiguous to a cleanup site are exempted from liability. The law also calls for the U.S. EPA to establish standards that a prospective purchaser must follow when buying contaminated property; these standards will reduce a prospective purchaser's fear of buying property that is perceived to be contaminated. The finality of state-approved cleanups will be enhanced by restrictions on the U.S. EPA's authority to take enforcement actions at sites addressed under a state-approved response action.

However, the act does not drastically modify liability issues for prospective purchasers, as it does not eliminate the liability of a non-governmental owner of a site that did not contribute to the site's contamination. Such an owner is still potentially liable for taking reasonable steps to stop any continuing release, prevent any threatened future release, and prevent or limit exposure to any previously released hazardous substance at the site.

"It recognizes the importance of our state and local partners by increasing funding and granting them more flexibility." -Christie Whitman

As the U.S. EPA provides guidance to the states on implementation of the act, more information will be provided on the Brownfields Program Web site. To review a copy of the act, visit www.epa.gov/swerosps/bf/sblrbra.htm.

Indiana Department of Commerce Announces Pilot Program Awards

While many communities have used available state resources for environmental assessments and possibly remediation, they may not have the funds to undertake other activities necessary to finish preparing a site for redevelopment. In 2001, the Indiana Department of Commerce (IDOC) developed a pilot program to facilitate the reuse of brownfield properties. The goal of the pilot is to provide grant funds to assist communities with further site preparation activities, bridging the current financial gaps in their redevelopment efforts.

The pilot will be funded through a portion of the money that is received annually by the state of Indiana from the U.S. Department of Housing and Urban Development's Community Development Block Grant (CDBG) Program. Thirty-two brownfield projects were identified statewide and invited to submit an application for the pilot. To be eligible, the project must have received a Brownfields Site Assessment Grant through the Indiana Development Finance Authority (IDFA) and IDEM, be a non-entitlement community for CDBG funds, be substantially finished with the environmental investigation, and be facing additional remediation or site preparation tasks. Project status and eligibility were determined through a survey sent to communities that had previously received a Brownfields Site Assessment Grant through IDFA and IDEM.

The activities eligible for the funding include environmental remediation, demolition, building rehabilitation, public infrastructure, and reuse planning. A minimum match of 10 percent of the total project cost is required

from the participating community. Professional design and/or planning costs are eligible as a local match only if these costs are not covered by an IDFA grant or other state grant. For environmental remediation activities, brownfield pilot CDBG funds can be used only in conjunction with a loan from the Environmental Remediation Revolving Loan Fund through IDFA, where the loan comprises at least 50 percent of the environmental remediation cost. This type of a loan will count toward the required local match.

Seven communities applied for pilot grants in October 2001, and three were chosen as pilot communities in early December 2001. The selected communities are Michigan City, Warsaw, and Tell City. Michigan City was awarded \$287,800 for building demolition and cleanup of the former Josam Foundry. Warsaw was awarded \$300,000 for underground storage tank removal, waste removal, lead paint abatement, asbestos removal, demolition, and road construction at the former Gatke Corporation property. Tell City was awarded \$400,000 for building demolition, asbestos removal, and ground water/soil remediation at the former Tell City Chair Company. The work at all three sites is to be completed by the end of the year.

If the pilot is successful, and funding continues to be available, then IDOC hopes to make this program another tool for communities to aid in the redevelopment of brownfield sites. Interested communities can obtain more information by contacting Mary Beth Schmucker, the administrator of the pilot program, at (317) 232-8915 or by e-mail at mschmucker@commerce.state.in.us.



The Northern Indiana Center for Land Reuse Connection

The Northern Indiana Center for Land Reuse (NICLR) is a non-profit organization that connects businesses and developers with community, financial, and government resources to catalyze redevelopment, especially of brownfield properties. Its goal is to transform brownfield properties from liabilities to community assets, releasing their potential for generating new tax revenues, jobs, and other social and environmental benefits. NICLR's efforts are focused in Lake, Porter, and LaPorte counties.

NICLR was established in July 1998 through a partnership between the Northwest Indiana Forum, the Northern Indiana Public Service Corporation, and the Delta Institute to stimulate the cleanup and redevelopment of old contaminated industrial sites in Northwest Indiana. By identifying sites, assessing their environmental problems, creating redevelopment strategies, and identifying end-users, NICLR and its partners work to remove barriers to redevelopment. NICLR works to ensure that communities benefit from brownfield redevelopment through site-specific public participation efforts. NICLR also plays a variety of roles in the cleanup and redevelopment process, including managing projects, entering into limited partnerships, or acquiring options or titles to sites.

The following depict NICLR's project involvement:

- ◆ NICLR has created, with the Gary Urban Enterprise Association, a master plan to develop a 470-acre site within the Gary Airport Redevelopment Zone. It is anticipated that this redevelopment area will stimulate economic growth in the area. The redevelopment zone has a significant amount of contiguous property avail-

able for redevelopment, low land prices, and noteworthy economic and environmental assets. Existing infrastructure in the area includes interstates, rail lines, the airport, and a nearby harbor. The area is also home to exceptional wetlands, dunes, and swale, which provide the potential for turning the area into an "eco-industrial park."

- ◆ NICLR is working with the city of Gary to redevelop the J-Pit site, a 200-acre abandoned industrial property. NICLR is working with the city's Department of Environmental Affairs to implement a community outreach plan and participation process to ensure that residents' voices are heard. Redevelopment of this property is expected to generate jobs, attract private investment, expand the tax base, and improve surrounding property values. In addition, community input has expanded the vision to include green

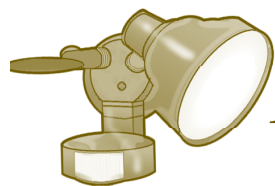
space, walkways, bike paths, and a pond.

- ◆ NICLR is partnering with the Michigan City Economic Development Corporation to craft a plan for redeveloping a 25-acre former foundry. This redevelopment plan will create a new business and industrial park. NICLR's role has included assembling a redevelopment team capable of taking the project from pre-development through cleanup, construction, marketing, obtaining state resources for environmental assessment, and implementing a strategy to overcome the very complex legal barriers to gain ownership of the site.

For further information about NICLR, please contact Kay Nelson at (219) 763-6303 or at (800) 693-6786 or at knelson@jorsm.com or visit <http://niclr.org>.

Q: Are you a community that is having a hard time finding a buyer for an abandoned piece of property because of current or past contamination? Or are you a developer looking for a prime piece of real estate with existing infrastructure and great redevelopment potential? Where can you list and/or search for available brownfield properties?

A: Although IDEM neither keeps a list of available properties nor endorses any specific listing services, there are organizations that provide such services. One of those is the Clean-Start Redevelopment Company LLC, which provides a means of linking available properties worldwide with interested developers and related support services. Clean-Start is a free online listing service for brownfield properties that are prime opportunities for redevelopment. Visit www.cleanstart.com/proplist.htm for information on how to list a property or how to search for available properties. Another is the Brownfields Center, which is a marketplace for brownfield resources. The center also has a national online brownfields property database. Interested parties can both list and search for properties. There is a \$15 charge for a six-month listing. Visit www.brownfieldcentral.com/v3/propListings.asp for information on how to list a property or how to search for available properties.



Focus on:

New IACT Position Dedicated to Brownfields

Recently, the state of Indiana transferred \$9 million from the Excess Liability Trust Fund into the existing Environmental Remediation Revolving Loan Fund (ERRLF) to be used for the newly created Petroleum Remediation Grant Incentive (PRGI). Grants will be available to assist the selected communities in cleaning up petroleum-contaminated brownfield sites, such as small corner gas stations.

In response to this new incentive to fund petroleum cleanups, and in anticipation of numerous applicants/participants, the Indiana Association of Cities and Towns (IACT) Foundation created a new position within the Environmental Circuit Rider (ECR) Program specifically designed to assist Indiana's municipalities with addressing brownfields redevelopment. This new position is the brownfields redevelopment coordinator, and it is held by Natalie Hurt. Ms. Hurt began her role as brownfields redevelopment coordinator in November 2001.



Natalie Hurt is the new brownfields redevelopment coordinator with the Indiana Association of Cities and Towns.

With the creation of this new position, communities throughout Indiana can utilize the assistance provided by the IACT Foundation's brownfields redevelopment coordinator to determine what environmental issues may be present at sites and how those communities can seek financial assistance for brownfields redevelopment. The coordinator offers a wide range of help to communities, including assistance with writing and preparing grant applications and redevelopment plans for municipalities. In this way, the coordinator can essentially play the role of a staff coordinator for the cities and towns that cannot afford to hire such a position.

If you have any questions about the IACT Foundation's new brownfields position, you may contact Natalie Hurt, IACT Foundation's brownfields redevelopment coordinator, by phone at (317) 234-2236 (office) or (317) 407-9360 (mobile), or also by e-mail at nhurt@citiesandtowns.org. For more information, you may also go to the IACT Foundation's ECR Web site at <http://www.citiesandtowns.org/ECR/Default.html>. To keep informed of IACT's latest activities, you may also request to receive IACT's Actionlines bulletin.

The Environmental Circuit Rider provides general assistance for the following:

- Site assessments
- Funding opportunities
- Troubleshooting
- Education and outreach

The ECR also can help with the following:

- Forest management issues
- Wetland conservation and/or construction
- Interpretation of Phase I Environmental Site Assessments
- Options for closure and remediation of a leaking UST
- Interpretation of laboratory results
- Secondary containment rules for bulk storage of fertilizers and pesticides
- Pesticide safety training
- DOT training and regulations
- OSHA "Right to Know" requirements
- Spill prevention, response, reporting, sampling and remediation
- Management, sampling, and disposal of hazardous and/or special waste
- Writing a contingency plan
- Writing or interpreting a Spill Response Report
- Asbestos management
- Drinking water (sampling, sanitizing wells, preventing cross contamination)
- Pollution prevention and waste reduction
- Updating and/or changing permits

Background:

Indiana Association of Cities and Towns ECR Program

The Indiana Association of Cities and Towns Foundation offers assistance to municipalities regarding environmental concerns or issues, including brownfields redevelopment. The IACT Foundation is a not-for-profit 501(c)(3) entity, which enables it to receive tax-deductible contributions from corporations, individuals, and other private foundations. The IACT Foundation was incorporated in December 1993.

A few years after the creation of the IACT Foundation, a need was seen for a program that allowed the communities to work closely with IACT personnel to learn more about how to deal with the various environmental concerns that may be present within their communities. The answer was the Environmental Circuit Rider (ECR) Program. Funded with grants from IDEM, the foundation's ECR Program helps meet the environmental needs of Indiana municipalities.

In 1996, the IACT Foundation began the ECR Program as a nine-county pilot project to assess the utility of such a program. After much early success, the program was then expanded statewide to provide environmental assistance to all Indiana municipalities. The ECR now utilizes the resources of IACT to reach over 470 communities throughout Indiana. The program and its services are provided confidentially and free of charge.

One of the most important benefits of the ECR Program is the on-site visitation of a professional in the environmental field. This personal contact allows for need assessments, observation, and prioritization of problems, while building trusting relationships that create and expand dialogue.

The ECR maintains an active file on each municipality that participates in the program and personally visits each one as often as necessary. After meeting with municipal officials, the ECR takes a tour of the town or city to evaluate environmental issues. The ECR then researches concerns, questions, and issues for the municipality and provides a response to the municipal official.



•2002 Indiana Governor's Conference on the Environment

September 27 - 28
Indianapolis, Indiana
www.IN.gov/idem

•2002 National Brownfields Conference

November 13 -15
Charlotte, North Carolina
www.brownfields2002.org

Brownfields Score Card Program

64

Comfort and Site
Status letters issued*

104

Grants awarded

35

Assessments
completed

15

Loans approved

*Site Status Letters have been developed to replace No Further Action Letters formerly issued by IDEM's Brownfields Program.

Indiana Brownfields Low-Interest Loan Recipients

The Cities of New Albany and Indianapolis were recently approved to receive Brownfields Low-Interest Loans for three different sites through the state's Environmental Remediation Revolving Loan Fund (ERRLF or Brownfields Fund). The approved funds are \$60,000 for the St. Edwards Court project in New Albany; \$350,000 for the Titans Homes project in Indianapolis; and up to \$175,000 for the Former Indianapolis Park and Recreation Facility project.

Similar to the review process of Brownfields Site Assessment Grant applications, the decision to approve loan funding is a cooperative effort by the Indiana Brownfields Program agencies. Since the program's inception, 15 loans have been approved totaling approximately \$5.5 million. This is a list of those communities with their respective loan amounts:

POLITICAL

SUBDIVISION

AMOUNT

City of Fort Wayne	\$ 500,000
Town of Pierceton	\$ 100,000
Town of Kewanna	\$ 50,000
Monroe County	\$ 50,000
City of Lafayette	\$ 65,000
City of Mishawaka	\$1,300,000
Hendricks County	\$ 767,000
Town of Madison	\$ 300,000
City of South Bend	\$1,341,885
City of Crawfordsville	\$ 325,000
City of Rising Sun	\$ 100,000
City of Shelbyville	\$ 232,687
City of Rushville	\$ 79,113
City of New Albany	\$ 60,000
City of Indianapolis	\$ 525,000

Update on Brownfields Program References

The Brownfields Program Web site is continuously updated with news, links, and reference materials. Below is a partial list of some of the more recent additions to the Reference Materials section. For a complete list, visit http://www.IN.gov/idem/land/brownfields/ref_mat.html or contact Tracy Concannon of the Brownfields Program.

Potential Brownfields Projects: The Good, the Bad, and the Ugly by Jerry Ackerman, Vanasse Hangen Brustlin Inc. www.environews.com/Centers/good.html

Redeveloping Brownfields with Federal Transportation Funds (February 2001) by the U.S. Environmental Protection Agency (EPA) and the Association of Metropolitan Planning Organizations (AMPO)—Report highlights links between brownfields and transportation produced. www.smartgrowth.org/library/brownfield_tea21.html

A Guidebook for Brownfield Property Owners (Washington, DC 1999) by the Environmental Law Institute.

An Assessment of Brownfields Redevelopment Policies: the Michigan Experience by Professor Richard C. Hula—A case study that can be used by other states and governmental entities. www.endowment.pwcglobal.com/pdfs/hula.pdf

Brownfields: Redeveloping Distressed Properties by Harold J. Rafson and Robert N. Rafson (1999)—Covers all aspects of redeveloping environmentally distressed properties and looks at real estate issues.

Midwestern States Risk Assessment Symposium

The Midwestern States Risk Assessment Symposium will be held July 24-26 at the Indiana Government Center, in downtown Indianapolis. The symposium, sponsored by IDEM, U.S. Environmental Protection Agency, Indiana University, Purdue University, and Rose-Hulman Ventures will focus on applications of environmental risk assessment science to real world environmental projects. It will be an opportunity for stakeholders to interactively participate in discussions and presentations of technical and/or controversial risk assessment issues, such as waste oil hydrocarbon endpoints in soil, vapor intrusion into buildings from soil and ground water, and judgmental sampling of soil. IDEM plans to use the papers and discussions generated from the symposium to continue formulating and implementing new IDEM Risk Integrated System of Closure (RISC) policies.

For more information on the conference agenda or registration, please visit www.spea.indiana.edu/msras or call Brian Wolff of IDEM at (800) 451-6027, ext. 3-5565.

From Gas Station to Town Hall: Small Town Success Story



A [gas station](#) that was built in the 1940s was donated to the small town of Farmersburg approximately 20 years ago. The town had used the property as a municipal utility maintenance shop for several years. However, six years ago, it closed the facility and intended to sell the property to raise revenues, reduce maintenance costs, and return the property to the tax rolls. Unfortunately, the environmental uncertainty at the site prevented it from being sold. Community members raised concerns that this property and any contamination associated

with it could affect the adjacent elementary school and playground.

To help address environmental unknowns, the town applied for and received an Indiana Brownfields Site Assessment Grant in January 1998 through IDEM and the Indiana Development Finance Authority to perform a Phase I and Phase II investigation. The investigation revealed that soils at the property had been impacted by petroleum contamination. Also, a 500-gallon underground storage tank (UST) was identified. Removal/closure of the UST would eliminate the source of any contamination. Evidence exists that the tank may have leaked, therefore, some remediation may need to be performed.

The town decided not to sell the property after all, but redeveloped it into its new town hall.

Labor to perform demolition and reconstruction activities was provided by the Wabash Valley Correctional Facility at no cost to the town. Even with possible remediation still on the horizon, the entire Farmersburg community can be commended for its resolve in reclaiming this brownfield property. This project is proof that communities are limited only by their own determination and imagination, not size, in their ability to undertake a brownfields project.



The new Farmersburg Town Hall—before (top left) and after (above).

Issues

Greyfields and Brownfields – Not One and the Same

A new term popping up in redevelopment circles is “greyfields.” Greyfields are abandoned or underutilized commercial or retail properties, such as shopping malls or super stores, that do not have the factor of actual or perceived environmental contamination that is associated with brownfields. A February 2001 study titled “Greyfields into Goldfields,” prepared by the Congress for the New Urbanism (CNU), describes greyfields as “developed sites that are economically and physically ripe for major development.” The term may have originated because of the vast dull grey color of the parking lots surrounding these properties. (However, at least one state

uses the term “grayfields” to describe land and water polluted by past mining practices.)

According to real estate consultants at PricewaterhouseCoopers (PWC) and CNU in their joint January 2001 “Greyfield Regional Mall Study,” there are an estimated 140 regional malls in the United States that are already greyfields and another 200 to 250 malls approaching greyfield status. Those malls combined account for 18 percent of all regional malls nationally. A regional mall is defined as a mall containing at least 350,000 square feet of leasable space and a minimum of 35 store spaces. Smaller retail properties were not included in the CNU study, though these properties

often pose similar redevelopment challenges.

Generally, greyfields do not have environmental contamination as a barrier to their redevelopment. However, it should be noted that some retail centers at some point may have housed dry cleaners, automotive repair facilities, or other establishments that may have caused environmental contamination at the site, leading to a designation as a brownfield rather than a greyfield.

For further information about greyfields, the CNU study is available at http://www.cnu.org/cnu_reports/Executive_summary.pdf, and the PWC study is available at http://www.cnu.org/cnu_reports/Greyfield_Feb_01.pdf.



Brownfields Bulletin is published quarterly by the Indiana Department of Environmental Management to inform local government officials, business representatives, and interest groups about brownfields redevelopment initiatives and success stories from within and beyond the state. A brownfield site is an industrial or commercial property that is abandoned, inactive or underutilized due to actual or perceived environmental contamination. IDEM's overall mission is to make Indiana a cleaner, healthier place to live. IDEM's brownfields initiative helps communities remove barriers for sustainable growth.

Comments and ideas are welcome; e-mail Sandy Bardes of the IDEM Brownfields Program. For address changes or to be added or deleted from the mailing list, call (800) 451-6027, press 0 and ask for ext. 2-4402, or call (317) 232-4402 or e-mail dchester@dem.state.in.us.

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IDEM's toll-free number: (800) 451-6027, press 0 and ask for a person by name or number, or dial direct.

Who Can Help

Technical and educational assistance

Indiana Department of Environmental Management
Brownfields Program Staff (listed top right)
100 N. Senate Ave., Suite 1101
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Indianapolis, IN 46206-6015
www.IN.gov/idem/land/brownfields

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